



NEWS RELEASE

DEFENSE FINANCE AND ACCOUNTING SERVICE

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For External Release

New rules implemented for General Schedule Federal Employees

ARLINGTON, Va. (Dec. 10, 2003) -- Rules for calculating overtime rates for General Schedule federal employees changed with the passing of the National Defense Authorization Act for Fiscal year 2004.

The change affects overtime calculations for those people whose rate of basic pay is more than the rate for GS-10, step 1. Section 1121 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108-136) amended Section 5542(a)(2) of title 5, United States Code, to modify the overtime pay calculations for General Schedule employees who are exempt from the Fair Labor Standards Act and whose rate of basic pay is more than the rate for GS-10, step 1. Under the revised formula for computing overtime pay for these employees, the hourly rate of pay for overtime is an amount equal to the greater of one and one-half times the hourly rate of basic pay for GS-10, step 1, or the individual's hourly rate of basic pay. This revision ensures that these employees will receive no less than their regular rate of basic pay for overtime work.

The amendment became effective on Nov. 24, 2003. For Department of Defense employees and other civilian pay customers of the Defense Finance and Accounting Service, DFAS revised the Defense Civilian Pay System to accommodate this change as of Nov. 30, 2003 including any necessary retroactive payments for overtime work for the intervening period of Nov. 24-29.

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